

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF COMMUNITY AFFAIRS**

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**Notice of Proposed Final Text of the Regulations for the  
Multifamily Housing Program regarding Supportive Housing****February 10, 2005**

To Interested Persons:

On October 1, 2004, the Department of Housing and Community Development (HCD) published a Notice of Proposed Rulemaking to formally adopt amendments to the Multifamily Housing Program (MHP) regulations regarding supportive housing.

The public comment period for the proposed regulations and amendments was October 1, 2004, through November 15, 2004. Public comments were received at two scheduled public hearings and by mail and facsimile. Changes have been made to the proposed amendments and regulation text in response to the public comments in addition to some changes based on internal HCD discussions. Government Code Section 11346.8 requires that all interested persons be notified of these changes and be allowed fifteen days to comment on the changes. Copies of the final text and responses to the public comments have been mailed to all interested persons and are hereby made available to the public.

In the attached regulation document, additions made in response to comments on the proposed amendments to the MHP regulations and HCD-initiated additions are double underlined and deletions made in response to comments and HCD-initiated deletions are in double strikethrough form. In order to bring the proposed regulations into conformance with Title 25, Division 1, Chapter 7, Subchapter 4, all defined terms are changed to begin with upper case letters.

Please note we have made the following modifications to the proposed regulations:

- In Sections 7340(a), 7342, 7342(a), 7342(f), 7344(a), 7345(d), 7345(g), 7345(i)(1), 7346(c)(1), 7346(c)(3), 7346(c)(3)(A), 7346(c)(3)(B), 7347 and 7347(d) the words 'project' and 'projects' are changed to 'Project' and 'Projects' as these terms are defined in the regulations.
- In Sections 7341(a), 7341(a)(3), 7342(a), 7343(a), 7346(c)(3)(A) and 7346(c)(3)(B) the words 'unit' and 'units' are changed to 'Unit' and 'Units' as these terms are defined in the regulations.

- In Sections 7341(a)(2)(A) and 7341(a)(2)(C) the word ‘rent’ is changed to ‘Rent’ as this term is defined in the regulations.
- Section 7341(a)(2)(B) is augmented to clarify the intent of the regulation as initially proposed.
- In Sections 7341(b)(2) and 7341(b)(3)(B)(i) the term ‘transitional housing’ is changed to ‘Transitional Housing’ as this term is defined in the regulations.
- Section 7341(c)(2)(B) is augmented to clarify that the HCD-assisted supportive housing units are not intended to supplant other housing placement resources that are available to households exiting an institution.
- Section 7342(f) is modified to allow the Department to approve exceptions, for proposed projects with 10 or fewer units, to the requirement that the management agent has experience with projects that would qualify as rental housing developments.
- In Section 7345 the introductory text is modified and the clause ‘be subject to the Department’s approval and shall’ is added to clarify the intent of the regulation as initially proposed.
- In Section 7345(g), the term ‘applicants’ is changed to ‘Sponsors’ as an HCD-initiated editorial correction to accurately reflect the syntax of the proposed regulatory changes.
- In Section 7345(i)(1) the word ‘sponsor’ is changed to ‘Sponsor’ as this term is defined in the regulations.
- In Section 7346(c)(2) a typographical error is corrected by changing the word ‘is’ to the word ‘in’.
- In Section 7346(c)(3) the term ‘restricted units’ is changed to ‘Restricted Units’ as this term is defined in the regulations.

Comments on the proposed final text will be accepted from February 10, 2005, through the close of business on February 25, 2005. Please submit all comments in writing to:

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